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Brief Descriptions of Incoterms

Incoterms are 13 standardized definitions of commonly used shipping and trade terms that cover issues such as control of goods and financial responsibilities such as payment of cargo insurance and freight. Incoterms provide traders with a common set of rules outlining each party's obligations, thus reducing misunderstandings.

The International Chamber of Commerce (ICC) establishes and publishes the Incoterms. To use the terms correctly, trade practitioners should consult the ICC for the complete, authorized Incoterm definitions.

A listing of the 13 Incoterms

Departure

- **EXW:** EX Works
- Main carriage not paid by seller
- **FCA:** Free Carrier
- **FAS:** Free Alongside Ship
- **FOB:** Free On Board
- Main carriage paid by seller
- **CFR:** Cost and Freight
- **CIF:** Cost, Insurance and Freight
- **CPT:** Carriage Paid To
- **CIP:** Carriage and Insurance Paid to

Arrival

- **DAF:** Delivered At Frontier
- **DES:** Delivered Ex Ship
- **DEQ:** Delivered Ex Quay
- **DDU:** Delivered Duty Unpaid
- **DDP:** Delivered Duty Paid